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Message Text

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ACTION OPIC-06

INFO OCT-01 ARA-10 ISO-00 AID-05 CIAE-00 INR-07 NSAE-00

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---------- 044237
R 142116Z NOV 75
FM AMEMBASSY TEGUCIGALPA
TO SECSTATE WASHDC 1720

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DEPARTMENT PLEASE PASS TO OPIC

E.O. 11652: N/A
TAGS: EINV, HO
SUBJECT: OPIC INVESTMENT MISSION

1. OPIC MISSION VISITED TEGUCIGALPA ON 6 NOVEMBER. VIP TREATMENT WAS ACCORDED AT AIRPORT COURTESY OF GOH NATIONAL INVESTMENT CORPORATION(CONADI). LATER, AT HOTEL, GROUP WAS BRIEFED BY CONADI; MINISTER OF INFORMATION, TOURISM AND CULTURE, AND NATIONAL PORT AUTHORITY. NEXT WAS A WELCOME BY AMBASSADOR AND BRIEFING BY EMBOFFS. A LUNCH WAS HOSTED BY CENTRAL AMERICAN BANK FOR ECONOMIC INTEGRATION (CABEI) DURING WHICH GROUP WAS INFORMED OF CABEI'S ROLE IN THE REGION.

PRIVATE MEETINGS BETWEEN MEMBERS OF GROUP AND LOCAL BUSINESSMEN WERE HELD IN THE HOTEL AFTER LUNCH. GROUP THEN WENT TO CENTRAL BANK WHERE IT WAS WELCOMED BY MINECON BEFORE HAVING SERIES OF SMALL MEETINGS
WITH HIGH GOH OFFICIALS AND CHIEFS OF AUTONOMOUS AGENCIES. FOLLOWING THAT, THE GROUP BRIEFLY MET WITH CHIEF OF STATE MELGAR. AMBASSADOR HOSTED RECEPTION LATER IN EVENING TO WHICH LEADING MEMBERS OF PUBLIC AND PRIVATE SECTOR WERE INVITED.

2. FIVE MEMBERS OF GROUP WITH INTEREST IN AGROBUSINESS WERE FLOWN TO LA CEIBA ON MORNING OF 7 NOVEMBER TO MEET WITH LEADERS IN THAT FIELD THERE AND TO TOUR THE AREA BY AIR. REMAINDER OF GROUP WAS TRANSPORTED TO SAN PEDRO SULA BY BUS. BOTH SUBGROUPS WERE REUNITED IN HOTEL IN SAN PEDRO SULA IN TIME FOR LUNCH HOSTED
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BY LOCAL CHAMBER OF COMMERCE. PRIVATE MEETINGS WITH BUSINESSMEN

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FOLLOWED. THE MEMBERS OF THE GROUP WERE INVITED TO DINNERS
HOSTED BY LEADING MEMBERS OF THE BUSINESS COMMUNITY IN THAT
CITY.

3. IMCAM VISIT HAD POSITIVE IMPACT ON THOSE GOH ENTITIES
INVOLVED IN ECONOMIC-COMMERCIAL ACTIVITIES. VISIT ALSO USED
BY GOH IN EFFORT TO SHOW THAT CHARGES BY ANTI-GOVERNMENT ELEMENTS
THAT ECONOMY WAS WEAK AND UNATTRACTIVE TO INVESTORS WERE UNFOUNDED.

4. THE NATIONAL COMMITTEE FOR RECONSTRUCTION (COREN) A GROUP
COMPOSED BY HONDURAN BUSINESSMEN AND LARGE FARMERS (SOME OF WHOM
WERE HOSTS AT DINNERS) PLACED FULL-PAGE STATEMENT ON BACK PAGE
OF LARGE CIRCULATION NEWSPAPER LA PRENSA MORNING OF 7 NOVEMBER
WHICH WELCOMED OPIC GROUP BUT CONTAINED CAVEAT THAT INVESTMENT
CLIMATE FOR JOINT VENTURES WAS NOT PROPITIOUS. ALLEGATION BY
COREN WAS REBUTTED BY GOH IN STATEMENT PUBLISHED FOLLOWING DAY.

5. COMMENTS: POSITIVE ELEMENTS OF THE VISIT WERE: THE
FACT OF THE VISIT SHOWS U.S. INVESTOR AND USG INTEREST IN
HONDURAS; HONDURAS GOVERNMENT AND PRIVATE ORGANIZATIONS, ALL
OF WHICH SHOWED MUCH GOODWILL, ARE MORE AWARE OF INFORMATIONAL
NEEDS OF VISITORS AND WEAK POINTS IN HONDURAN PRESENTATIONS
AND SHOULD FROM THIS EXPERIENCE SEEK TO UPGRADE THEIR RESPONSES
TO INVESTMENT INQUIRIES. A POSSIBLE RESULT COULD BE THE
STUDY OF ESTABLISHMENT OF A CENTRAL HONDURAN GOVERNMENT OFFICE
TO DEAL WITHPOTENTIAL FOREIGN INVESTORS. ONLY OPIC FOLLOW-
UP WITH THE INVESTORS WILL PROVIDE DATA ON THE GROUP'S
COMMITMENTS FOR INVESTMENT, WHICH IS OPIC'S PRIMARY OBJECTIVE.
A NUMBER OF VALUABLE CONTACTS WERE MADE AS A RESULT OF THE
PRIVATE AFTERNOON MEETINGS IN BOTH TEGUCIGALPA AND SAN PEDRO
SULA AS A RESULT OF WHICH EACH AMERICAN VISITOR HAD THE OPPORTU-
NITY TO MEET WITH AT LEAST TWO LOCAL BUSINESSMEN IN HIS AREA OF
INTEREST. THE PRIVATE DINNERS IN SAN PEDRO SULA OFFERED AN
OPPORTUNITY FOR AN INFORMAL BUT THOROUGH EXCHANGE OF VIEWS ON
THE HONDURAN INVESTMENT CLIMATE AND DEVELOPMENT PROSPECTS.
EXPLANATIONS OF THE ROLE OF CABEI AND THE PROGRESS OF THE FREE
INDUSTRIAL PORT FACILITY AT PUERTO CORTES WERE PARTICULARLY
WELL RECEIVED.

6. EMBASSY BELIEVES THAT THE IMCAM MISSION TO HONDURAS WAS
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GENERALLY SUCCESSFUL. HOWEVER, THE EMBASSY HAS COMPILED A LIST

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---------- 044653
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FM AMEMBASSY TEGUCIGALPA
TO SECSTATE WASHDC 1721

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OF RECOMMENDATIONS WHICH, IF IMPLEMENTED, IT FEELS MIGHT MAKE FUTURE MISSIONS OF THIS TYPE MORE USEFUL TO THE U.S. BUSINESSMEN WHO PARTICIPATE IN THEM.

A) THAT MISSION ORGANIZERS CONTINUOUSLY ADVISE THE EMBASSY, WHEN POSSIBLE IN WRITING, OF ARRANGEMENTS THEY HAVE MADE WITH PUBLIC AND PRIVATE ENTITIES (CHAMBERS OF COMMERCE, CONADI, CABEI, GOH, ETC.), IN ORDER THAT EMBASSY CAN PROVIDE FULL ADVICE AND ASSISTANCE.

B) THAT ONE PERSON BE CHARGED WITH THE ADMINISTRATIVE RESPONSIBILITY OF SEEING THAT THE GROUP ADHERE TO ITS SCHEDULE.

C) THAT A SCENARIO BE PREPARED FOR GROUP MEETINGS AND DISSEMINATED TO PARTICIPANTS, AND MANAGED BY A DESIGNATED OPIC OFFICIAL.

D) THAT THE EMBASSY'S ECONOMIC/COMMERCIAL SECTION BE GIVEN RESPONSIBILITY FOR MAKING ALL INITIAL APPOINTMENTS BETWEEN MEMBERS OF THE GROUP AND PRIVATE BUSINESSMEN TO ENSURE APPROPRIATE HONDURAN CONTACTS.

E) THAT MISSION ORGANIZERS REQUEST THAT THOSE HONDURAN PUBLIC AND PRIVATE ENTITIES WHICH ARE TO PARTICIPATE IN THE MISSION AND WHICH PLAN TO PROVIDE LITERATURE TO THE VISITORS
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PREPARE THEIR MATERIAL IN ENGLISH. ALSO, MISSION ORGANIZERS

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SHOULD ENSURE THAT THOSE ADDRESSING THE GROUP SPEAK IN ENGLISH OR THAT AN INTERPRETER BE USED WHEN SPANISH IS UNAVOIDABLY SPOKEN.

F) THE BIOGRAPHIC BOOKLETS WHICH OPIC SENT WERE VERY USEFUL. HOWEVER, THEY WOULD HAVE BEEN EVEN BETTER IF THEY HAD CONTAINED INFORMATION ON: EXACTLY WHAT EACH VISITOR PLANNED TO ACCOMPLISH IN EACH OF THE COUNTRIES TO BE VISITED; THE BUSINESSMEN OR GOVERNMENT OFFICIALS HE WISHED TO SEE; AND IF HE COULD CONDUCT HIS BUSINESS INTERVIEWS IN SPANISH. VARIATIONS AND INNOVATIONS COULD BE DEVELOPED, BUT THE BASIS OF INVESTMENT INTEREST SHOULD BE MORE SPECIFIC.

G. THAT THERE BE MORE CONTACT WITH THE PRIVATE SECTOR AND LESS WITH THE GOVERNMENT. FOR EXAMPLE, A QUESTION-AND-ANSWER SESSION WITH A PANEL OF AMERICAN INVESTORS ALREADY OPERATING IN THE COUNTRY MIGHT BE SOMETHING OF GREAT INTEREST TO POTENTIAL INVESTORS.

H) THAT THE SIZE OF THE MISSION BE LIMITED (THIS ECONOMIC/ COMMERCIAL SECTION COULD DEAL INTENSIVELY WITH WITH 6 TO 10) AND THAT THE COMPANIES' SCALES OF OPERATIONS CORRESPOND MORE CLOSELY TO THE MARKETS AND POTENTIAL OF THE COUNTRIES TO BE VISITED.

I) THAT PARTICIPANTS BE "FRESH" AND THAT LONGER VISITS BE SCHEDULED TO ALLOW MORE TIME TO FERRET OUT INFORMATION, ESTABLISH CONTACTS, AND FOLLOW-UP POTENTIAL BUSINESS.

J) TO ENSURE THAT MEMBERS OF THE GROUP HAVE A FULLER UNDERSTANDING OF THE ECONOMIC AND INVESTMENT CLIMATE THAT EXISTS IN THE COUNTRIES TO BE VISITED, PARTICIPANTS SHOULD BE URGED TO ATTEND THE OPIC-OFFERED BRIEFINGS IN WASHINGTON, AND TO GIVE GREATER ATTENTION TO DEPARTMENT OF COMMERCE MATERIALS INCLUDING EMBASSY REPORTS PROVIDED FOR PREPARATORY STUDY. PERHAPS ADVANCE QUESTIONING BY THE INVESTORS OF THE EMBASSY BY CORRESPON-DENCE WOULD SHARPEN THEIR KNOWLEDGE AND DIRECTION.
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